

# State Plan 2001: Blueprint for Change

## Quality Management

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## Introduction

Quality management (QM) aims to continually improve performance over the long term by focusing on consumers while addressing the needs of all stakeholders. A system of continuous improvement is fundamental to the development of an effective service delivery system. This QM plan is fourfold: utilization review, utilization management, quality assurance, and quality improvement.

- **Utilization review (UR)** assesses the quality of service delivery record keeping through systematic case review.
- **Utilization management (UM)** regulates the provision of services in relation to the capacity of the system and needs of consumers.
- **Quality assurance (QA)** assures that services are minimally adequate, client rights are protected, and organizations are fiscally sound.
- **Quality improvement (QI)** assures that services and administrative processes are constantly improving and staff is constantly learning new and better ways to provide services and conduct business.

Results for both service recipients (consumer outcomes/consumer satisfaction) as well as service managers and qualified providers (system performance) are most effectively monitored with a systemic quality management program (QMP). The QMP will include the Division, LMEs, institutions, collaborative agencies, qualified providers, consumers, families, and advocates. The QMP will:

- Enhance the quality of services for consumers.
- Protect and ensure consumer rights.
- Monitor and improve consumer outcomes.
- Optimize performance of the system regarding operational efficiency, financial integrity, and accountability.
- Promote effective resource allocation.
- Inform the public about the effectiveness of the system by publicizing an annual report card.

## Basic Precepts

Quality management is a way of thinking and acting that promotes self-reflection, self-monitoring, and self-improvement. This program will require:

- A “culture of improvement” throughout the system, supported and promoted by leadership at all levels.
- An active learning, problem-identification, and problem-solving environment within every component of the system.
- Clear goals and strategies that support the Division’s mission, vision and the local community business plan.
- Explicit provisions built in at every level of the system for pursuing continuous improvement in services.

- Quality of care expectations and standards that are consistent throughout the entire system. A common set of quality indicators and measures will also be used throughout the system.
- Public dissemination of all quality reviews and investigations.
- Roles and responsibilities of all system participants clearly delineated, monitored, and reported.

## Definition of Terms

In order to ensure consistent procedures and effective communication across the various levels and stakeholder groups of the state system, everyone must use the same definitions.

### Utilization Review

Utilization review includes retrospective study of service delivery quality, record-keeping adequacy, and cross checking on previous utilization management activities affecting individual consumers.

### Utilization Management

Utilization management (UM) ensures that services are necessary, appropriate and cost efficient. UM determines whether a planned course of treatment meets the criteria set forth by the funding agency or private payer. Utilization management is an essential tool to assure that the system has sufficient capacity to meet individual needs across diverse populations and large geographic regions. It protects against the over-utilization of high cost services/treatments and under-utilization of more cutting-edge services/supports. It is important to assure that all UM activities conducted by contractors are reimbursed on a cost plus small margin basis, so there is no incentive for denying services.

### Quality Assurance

Quality assurance (QA) ensures that services are minimally adequate, client rights are protected, and organizations are fiscally sound. These goals are accomplished through periodic monitoring of compliance with standards or protocols. The Division of Facility Services is the regulatory agent for state oversight of licensed services. The LME will conduct local monitoring of qualified providers within the network, which will focus on quality of service delivery.

Quality Assurance will provide consumer protection and serve as early-warning systems for avoiding harm. Physical safety and security of consumers is fundamental. LMEs must monitor health and safety. The Office of Consumer Affairs will coordinate client rights and activities. Consumers will be:

- Free from physical and chemical restraints, except in instances when the use of such interventions are part of therapy, and used in accordance with state law, rules, and policies.
- Protected from abuse, neglect and exploitation. Procedures will exist to detect, report, and investigate cases thoroughly and take prompt and effective remedial actions.

Other protections include:

- Serious incidents will be promptly and effectively reported, tracked and appropriate follow-up actions taken to rectify individual misconduct and/or systemic shortcomings.
- All deaths within publicly operated, licensed or certified programs and facilities will be thoroughly investigated and fully reported according to law. Prompt steps will be taken to rectify any underlying factors contributing to the death.
- Prompt actions will be taken to protect the safety and health of program participants in the case of natural disaster other unforeseen crises.

LMEs and qualified service providers will develop comprehensive, individualized, person-centered plans for treatment. All prescribed services will be delivered in a timely, effective manner, in accordance with the terms of each individual's service plan. Quality will be built in at the front end of the service system. To accomplish this goal, LMEs and qualified service providers will:

- Complete comprehensive assessments of consumers' need, including medical, psychological and/or social evaluations.
- Help consumers prepare their own treatment plans that take their capabilities, interests, aspirations, and treatment needs into account. Local/area-wide service systems will review the quality, appropriateness and comprehensiveness of individual service plans and initiate plan revisions based on the results of such reviews.
- Determine client satisfaction.

The Department of Health and Human Services, LMEs, and qualified service providers will protect the rights of all individuals applying for or enrolled in publicly funded services. In carrying out its responsibilities in this area, the service system shall:

- Give consumers clear channels for filing complaints and having their grievances considered by responsible officials at succeeding levels of the service system, with the aim of achieving resolutions satisfactory to all.
- Assure that due process rights of consumers are fully protected.
- Assure that individuals can choose among available community service and qualified support providers who meet established qualifications.
- Establish human rights functions within qualified provider agencies to oversee related activities and reconcile potential ethical/moral conflicts. Rights protection mechanisms employed within the service system will be consumer-friendly.

The Department and LMEs will ensure that qualified providers of services and supports meet the state's qualifications and operating standards/requirements. State and local government will ensure that each qualified service provider operates in compliance with applicable state standards and/or requirements. DHHS and LMEs will :

- Verify qualifications of service providers.
- Assure that all pre-service and in-service training and continuing education requirements are met.
- Conduct periodic licensure and certification reviews and analysis.

- Oversee implementation of correction plans, imposition of sanctions and other follow-up actions.
- Arrange technical assistance to help qualified providers fix deficiencies and formulate and carry out service improvement plans. The state will review and enforce performance provisions contained in contractual agreements (e.g., achieving specified levels of consumer satisfaction, or holding administrative costs below a certain percentage of total expenses).

The Department and LMEs will monitor the performance of the service delivery system. In addition to overseeing the compliance of qualified provider agencies and individual practitioners with state-established standards and other requirements, the state will independently verify that enrolled consumers are being appropriately served. These reviews will concentrate on the benefits derived by consumers and families (outcomes). The types of monitoring activities that fit into this category include:

- Consumer and Family Advisory Committees will obtain input from consumers and families.
- Assessments of the effectiveness of local/area-wide services coordination/case management systems in terms of the availability and quality of such services, as well as the effectiveness with which case managers or service coordinators perform their various individual roles.
- Completion of consumer-centered quality reviews (i.e., on-site monitoring of program participant to reach generalizations about agency/system-wide performance).
- Independent, third party monitoring by peer review and stakeholder teams (i.e., parents, self-advocates, and neighbors) to assess the quality of life of program participants.

The Department and LMEs will ensure that public funds are properly disbursed and managed. The state has an obligation to ensure that tax dollars are used effectively, efficiently and in accordance with the requirements of law. This means that the state's quality management system must include methods of assuring that:

- Payment claims are submitted on time and verified for accuracy and completeness.
- Annual audits are conducted of the financial accounts of all service agencies/organizations in accordance with accepted auditing standards and practices, and any questionable transactions are identified and resolved.
- Personal accounts of individuals participating in publicly financed programs are secured and audited on a regular basis to prevent any fraudulent transactions. The state will also maintain an active program of fraud prevention and detection that includes the capacity to investigate alleged incidents of misappropriation of funds and to issue penalties.

LMEs and other qualified service providers will collaborate with local health care providers to address the health of consumers of publicly funded long-terms services. This collaboration will ease access to appropriate, high quality health, mental health, and substance abuse prevention and treatment services. The system will:

- Ensure coordination with primary care and other healthcare providers.
- Assess and address co-occurring mental health or substance abuse problems.

- Monitor the therapeutic effectiveness of prescription medications (particularly psychoactive and anti-convulsive medications). Prescription medications will not be used in the absence of specific psychiatric diagnosis and a properly designed treatment plan.

LMEs, qualified providers, and state facilities will obtain structured feedback from individuals and families, as well as comparative data on system-wide performance in areas deemed critical to achieving overriding systemic goals. Among the basic components of a consumer-oriented assessment systems are:

- Individual and family satisfaction measures.
- Indicators of comparative performance in key outcomes areas (e.g., employment, integrated community living, etc.). Typically, data are gathered from a random sample of service recipients using statistically valid and reliable data collection instruments. Consumers will be involved in the design and implementation of the assessment system and will have full access to the resulting information, consistent with privacy safeguards.

## Quality Improvement

The Division, LMEs, state facilities, and qualified providers will initiate a continuous cycle of activities to identify service system strengths and address weaknesses. The pursuit of quality is an overriding goal of every component of the service delivery system. Agencies and organizations at all levels of the service delivery system will upgrade service quality continuously. Quality improvement initiatives can take many forms (e.g., a comprehensive training program to enhance the skills and competencies of frontline workers as well as supervisory staff; the provision of technical assistance and support, the organization of employee recognition and incentive programs; etc.). These efforts must be linked to the state's overall quality management program so that the results of quality reviews inform the development of the agency's quality improvement activities. Such activities are strategic investments in strengthening the entire system.

## Division Quality Improvement Committee

The Division Quality Improvement Committee (DQIC) will oversee and approve all system quality improvement activities. The DQIC will include representatives from the Division's sections, LMEs, other DHHS divisions and state agencies, consumers and families, and advocacy groups. Quarterly system performance/outcome reports, consumer complaints, and other evidence of quality problems will be submitted to the DQIC, which will use these reports to identify opportunities for improvements.

## Local Quality Improvement Committees

Each LME will establish a quality improvement committee (LQIC). Each LQIC will be chaired by the LME and include consumers and families, representatives of the regional state facilities, other qualified network providers, and the UM agency. Quarterly performance/outcome reports,

consumer complaints, and other evidence of quality problems will be submitted to the LQIC, which will use these reports to identify local opportunities for improvements.

## Qualified Network Providers

Each state facility and local management entity will develop a written quality improvement plan to continuously assess and improve organizational performance that results in high-quality services and desired outcomes. This plan will be consistent with state and federal rules and regulations and standards set forth by national accrediting bodies (e.g., JCAHO, COA). Qualified network providers will also develop and implement quality improvement activities in compliance with rules established by the Department and Commission on Mental Health, Developmental Disabilities and Substance Abuse Services. These activities are subject to periodic review by the responsible LME.

## Report Cards

Periodic system report cards will be issued to let the public and consumers know how well the system is meeting performance standards. These reports will evaluate a range of performance and consumer outcome measures to be determined after review by consumers and their families. The report cards will reflect the progress of the system toward meeting the guiding principles in the State Plan.

QM staff will oversee production of state facilities', LMEs', and UM agency report cards. DHHS will oversee production of Division report cards. Report cards will be publicized across the state in a variety of media.

### System quality domains and sample indicators for report card

Specific indicators and measures to drive quality management and improvement in the public system will be identified and implemented through a cross-stakeholder workgroup. Key domains of interest are displayed below. Sample indicators for these domains are also shown.

Domains	Sample Indicators
Access	<ul style="list-style-type: none"><li>• Penetration rate (percent of eligible consumers who access services and supports)</li><li>• Timeliness of receiving services and supports</li><li>• Adequacy of qualified provider network (capacity)</li></ul>
Quality of Care	<ul style="list-style-type: none"><li>• Engagement/retention in treatment</li><li>• Continuity of care and care-givers</li><li>• Completion of consumer-driven, clinically appropriate and evidence-based service plans</li><li>• Consumer/family education</li></ul>
Administrative Processes	<ul style="list-style-type: none"><li>• Collaboration of consumers, families, and public and private agencies in planning and monitoring</li><li>• Effectiveness of system quality improvement processes and activities</li></ul>

	<ul style="list-style-type: none"> <li>• Training competency, service standards, best practices including cultural competence</li> </ul>
Consumer Outcomes	<ul style="list-style-type: none"> <li>• Core Indicators Project</li> <li>• Client Outcomes Inventory</li> </ul>

## Implementation Issues

Implementation will occur gradually. System leadership will clearly articulate the program's priorities and ensure that the pursuit of quality is a continual process throughout the system.

A successful quality initiative requires an investment in resources, at least some of which must be dedicated to leading and coordinating improvement efforts. Effective quality management and improvement are dependent on adequate performance measures. A cross-stakeholder work group will review and recommend system-wide performance and outcome measures. A number of items must be addressed, including:

- Development of a plan for routine collection of data pertinent to monitoring and improvement that includes ways to ensure the quality and timeliness of the data collected.
- Identification of staff for developing technological resources for data collection and storage, maintaining the data collection process, and analyzing/report the data.
- Development of a plan and schedule for routine analysis and dissemination of both QA and QI data.
- Identification of types of data reports needed for various audiences and schedules for production.



## North Carolina DMH/DD/SAS Quality Management System

